

# CIB WEEKLY REPORT



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## What to watch next week

### Local market movers

No major data releases are scheduled for next week.

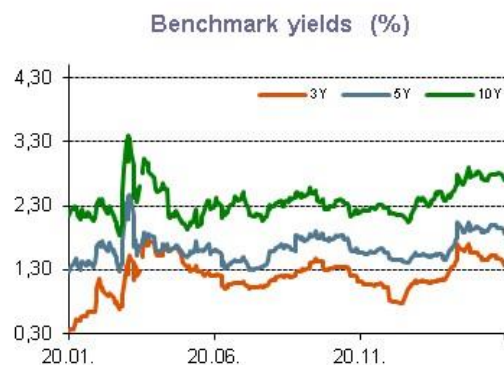
### External developments

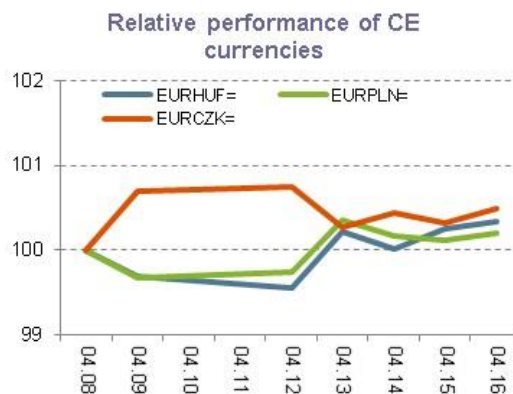
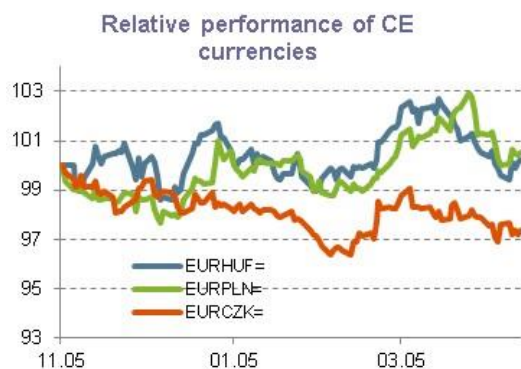
Euro zone PMIs are likely to retreat after the March jump, but the composite PMI may remain above the 50-point threshold. The ECB rate-setting meeting is going to be a non-event next week. The Bank is highly unlikely to take any action, but will reinforce the view, that monetary conditions will remain extremely loose for a prolonged period of time. Housing figures are on the agenda in the US, the housing market is widely expected to gradually recover from the winter weakness (caused by extreme weather conditions).

## Summary of recent macro and market developments

### HUF: some weakening

The steady appreciation trend of the forint continued in the first part of the week, EUR/HUF dropped to below 356 on Monday, but further strengthening proved to be short-lived and the performance of the forint against the euro showed a slight negative correction, repeatedly flirting with the 360 threshold from the middle of the week. On a weekly basis, this meant a minimal weakening and the volatility was also subdued. Overall, the global effects had a neutral effect on the domestic currency: the risk appetite was stagnant, and in regional comparison, the PLN/HUF exchange rate also hardly changed compared to a week ago. Domestic macro data have not moved markets significantly over the past week either. Looking ahead we expect EUR/HUF to trade in the 355-365 range in the near future.





CE3 GOVERNMENT BOND YIELDS							
	HU		PL		CZ		EU
	yield (%)	spread (bp)	yield (%)	spread (bp)	yield (%)	spread (bp)	yield (%)
<b>SPOT (bid)</b>							
1Y	0,76	141	0,00	65	0,08	73	-0,65
3Y	1,36	208	0,39	111	1,04	176	-0,72
5Y	1,85	247	0,78	141	1,42	205	-0,62
10Y	2,70	298	1,45	174	1,86	214	-0,28
<b>60-DAY AVG</b>							
1Y	0,64	127	0,11	74	-0,01	62	-0,64
3Y	1,37	211	0,31	104	0,86	159	-0,73
5Y	1,77	242	0,73	138	1,22	188	-0,65
10Y	2,61	298	1,31	168	1,66	203	-0,37

Source: Reuters

## Macroeconomic and market forecasts

EXCHANGE RATES, QUARTERLY AVERAGE					
	2019 Q4	2020 Q2	2020 Q4	2021Q2	2021 Q4
EUR/HUF	332	352	361	366	364
CHF/HUF	303	331	335	332	323
USD/HUF	300	320	303	313	315
EUR/CHF	1,10	1,06	1,08	1,10	1,13
EUR/USD	1,11	1,10	1,19	1,17	1,16
GBP/USD	1,29	1,24	1,32	1,36	1,39
GBP/HUF	386	397	399	426	436

INTEREST RATE FORECASTS					
(eop)	2019. 12	2020.06	2020. 12	2021.06	2021.12
NHB base rate	0,90%	0,75%	0,60%	0,60%	0,60%
HU 3M BUBOR	0,16%	0,74%	0,75%	0,74%	0,73%
Fed Funds rate	1,75%	0,25%	0,25%	0,25%	0,25%
ECB refi rate	0,00%	0,00%	0,00%	0,00%	0,00%
SNB 3M Libor target	-0,75%	-0,75%	-0,75%	-0,75%	-0,75%

	Unit	2017	2018	2019	2020	2021*	2022*
GDP growth, y/y - CIB forecast (*)	%	4,3	5,1	4,9	-5,1	4,1	4,7
GDP growth, y/y - Market consensus	%	-	-	-	-6,0	4,7	5,1
Industrial production, y/y	%	4,6	3,5	5,6	-6,1	6,5	7,5
Trade balance	EUR mln	8078	5520	4334	5700	5400	5000
CPI, y/y, average - CIB forecast	%	2,4	2,8	3,4	3,3	3,8	3,3
CPI, y/y, average - Market consensus	%	-	-	-	3,4	3,6	3,2
CPI, y/y, end of period - CIB forecast	%	2,1	2,7	4,0	2,7	3,6	3,1
CPI, y/y, end of period - Market consensus	%	-	-	-	-	-	-
Budget balance / GDP (ESA, including one-off revenues)	%	-2,2	-2,2	-1,6	-8,9	-6,5	-4,5
Unemployment rate (eop)	%	3,8	3,6	3,5	4,4	4,6	4,1

## Week 17

MONDAY 04/19/2021						
Country	Time	Data	Period	Previous	Forecast	Result
EZ	10:00	C/A balance, EUR m	February	30500		
TUESDAY 04/20/2021						
Country	Time	Data	Period	Previous	Forecast	Result
DE	8:00	PPI, y/y	March	1,9%		
DE	8:00	PPI, m/m	March	0,7%		
AUKCIÓK		#N/A	#N/A			
		Amount	Previous	Forecast	Result	
HU	11:30	3M T-bill	HUF 15 bln	0,58%		
WEDNESDAY 04/21/2021						
Country	Time	Data	Period	Previous	Forecast	Result
		No major data release	#N/A			
THURSDAY 04/22/2021						
Country	Time	Data	Period	Previous	Forecast	Result
EZ	13:45	ECB rate decision, policy rate	April	0,0%	0,0%	
US	14:30	Initial jobless claims, thousands	weekly	576		
US	16:00	Leading index	March	0,2%	0,6%	
US	16:00	Existing home sales, mln unit	March	6,22	6,21	
EZ	16:00	Consumer confidence index	April	-10,8	-11,5	
AUCTIONS						
HU	11:30	5Y T-bond	HUF 30 bln	1,83%		
HU	11:30	10Y T-bond	HUF 30 bln	2,73%		
HU	11:30	15Y T-bond	HUF 15 bln	3,00%		
FRIDAY 04/23/2021						
Country	Time	Data	Period	Previous	Forecast	Result
EZ	10:00	Manufacturing PMI, flash	April	62,5	62,2	
EZ	10:00	Services PMI, flash	April	49,6	49,9	
EZ	10:00	Composite PMI, flash	April	53,2	53,7	
US	15:45	Manufacturing PMI, flash	April	59,1	60,0	
US	15:45	Services PMI, flash	April	60,4	61,3	
US	15:45	Composite PMI, flash	April	59,7		



## Week 16

### MONDAY 04/12/2021

Country	Time	Data	Period	Previous	Forecast	Result
EZ	11:00	Retail sales, y/y	February	-6,4%	-5,6%	-2,9%
EZ	11:00	Retail sales, m/m	February	-5,9%	1,3%	3,0%

### TUESDAY 04/13/2021

Country	Time	Data	Period	Previous	Forecast	Result
DE	11:00	ZEW index	April	76,6	79,1	70,7
US	14:30	CPI, y/y	March	1,7%	2,5%	2,6%
US	14:30	CPI, m/m	March	0,4%	0,5%	0,6%

### AUKCIÓK

			Amount	Previous	Forecast	Result
HU	11:30	3M T-bill	HUF 15 bln	0,62%		0,58%

### WEDNESDAY 04/14/2021

Country	Time	Data	Period	Previous	Forecast	Result
EZ	11:00	IP, prelim., y/y	February	0,1%	0,6%	-1,6%
EZ	11:00	IP, prelim., m/m	February	0,8%	0,3%	-1,0%

### AUKCIÓK

			Amount	Previous	Forecast	Result
HU	11:30	12M T-bill	HUF 15 bln	0,72%		0,68%

### THURSDAY 04/15/2021

Country	Time	Data	Period	Previous	Forecast	Result
US	14:30	Initial jobless claims, thousands	weekly	744		576
US	14:30	Retail sales, m/m	March	-3,0%	5,2%	9,8%
US	15:15	IP, final, m/m	March	-2,2%	3,0%	1,4%
US	15:15	Capacity utilization	March	73,8%	75,8%	74,4%

### FRIDAY 04/16/2021

Country	Time	Data	Period	Previous	Forecast	Result
EZ	11:00	Trade balance, final, EUR m	February	28,7		18,4
US	14:30	Building permits, mln unit	March	1720	1745	
US	14:30	Housing starts, mln unit	March	1421	1615	



CIB BANK

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## Contacts

Resarch	Sales – Securities	Sales FX
<ul style="list-style-type: none"> <li>• <b>Mariann Trippon</b> Head of Research 423-2420</li> <li>• <b>András Bukovszki</b> Junior analyst</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Balázs Borók</b> Head of Securities Sales 489-8365</li> <li>• <b>Balázs Pápay</b> Equity sales 489-8366</li> <li>• <b>Balázs Tóth</b> Equity sales 489-8345</li> <li>• <b>Sándor Fenyvesi</b> FI sales 489-8352</li> <li>• <b>Zoltán Verzár</b> FI sales 489-835</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Mária Juhász</b> Head of Treasury sales 489-8313</li> <li>• <b>Marianna Nagy</b> FX sales 489-8303</li> <li>• <b>Péter Kelemen</b> FX sales 489-8304</li> <li>• <b>Gábor Horváth</b> FX sales 489-8327</li> </ul>

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